



Mitchell E. Daniels, Jr., Governor  
Rebecca S. Skillman, Lt. Governor and Secretary of Agriculture and Rural Development  
Andy Miller, Agriculture Director

## NEWS RELEASE

FOR IMMEDIATE RELEASE

November 2, 2005

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### *Biofuels Study Released*

Today Lt. Governor Becky Skillman and Indiana Agriculture Director Andy Miller released a study on the U.S. biofuels industry and how it relates to Indiana. The Indiana State Department of Agriculture commissioned Informa Economics to write the report entitled, "The Structure and Outlook for the U.S. Biofuels Industry."

"We have identified the production and use of biofuels as a key strategy to pursue at the Indiana State Department of Agriculture," remarked Lt. Governor Skillman, who also serves as Secretary of Agriculture and Rural Development. "As we move forward in growing this new sector of our economy, it is important that we have all the facts needed to make informed decisions. This report gives us good 'food for thought.'"

The study confirms that Indiana has the corn supply to support ethanol production in a time when more production is needed. Indiana's corn production currently meets a variety of needs: 5 percent of the crop goes to ethanol production, 17 percent to Indiana's livestock industry, 29 percent to other processing and 49 percent for export and residual use. Corn from Illinois, Iowa, Minnesota and Nebraska is all used at a higher rate in ethanol production (from 19-27 percent), with far less corn going to other processing (from 1-11 percent).

"Indiana has a strong, dedicated food and industrial processing sector that uses a significant quantity of corn, which likely will not change much in the future," said Miller. "Therefore, we need to plan for and avoid any unintended consequences that a sharp increase in ethanol production might have on our livestock feed costs and export markets."

Compared to the ethanol sector, the biodiesel market is still extremely immature, consisting of only a handful of dedicated plants across the country. There are currently 30 existing biodiesel production facilities in the United States with about 25 more companies reporting plans to construct in the near future. Total U.S. capacity is expected to increase by at least 100 million gallons between May 2005 and May 2006. Indiana recently announced its first biodiesel production plant and will be opening the fourth B20 Soy Biodiesel Public Pump on Thursday.

The study also notes there could be other advantages in biodiesel if well coordinated research programs at the state and national level between agricultural and energy agencies are carried out. "Our state is in a strong position to fill this gap because Indiana's soybean growers and Purdue University already lead the way in funding and carrying out research projects," said Miller.

For a complete copy of "The Structure and Outlook for the U.S. Biofuels Industry," visit ISDA's website at [www.in.gov/isda](http://www.in.gov/isda).

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